

Transparency policy

How we gather the data we require
to understand supply chain risk

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Supplier transparency is a corner stone of our programme and collaborating with you to uphold our Standards for Suppliers is key to this. This approach will allow us to assess supply chain risk, deploy resources to assist continuous improvement and monitor compliance within our global supply chain.

Please note, although we do not require you to provide transparency to all your in-scope locations at this time, our Standards for Suppliers apply to all tiers of your supply chain and it is the supplier's responsibility to ensure compliance throughout their supply chain. This communication and the transparency requirements within it are the minimum requirements for Asda Responsible Sourcing. Other Asda departments may have additional requirements.

This policy represents the minimum standards that Asda expects for in-scope facilities. Asda reserves the rights to increase the requirements for business areas, commodities or geographies subject to completion of an initial risk assessment. This may include but is not limited to: additional Self Assessment Questionnaire (SAQ) requirements for supply chain tiers, industry specific audits and additional Human Rights due diligence. A list of additional programme requirements, beyond our minimum standards, can be found below:

George Apparel suppliers please use this [link](#) to the George Clothing supplier website
All other suppliers please use this [link](#) to the Asda supplier website

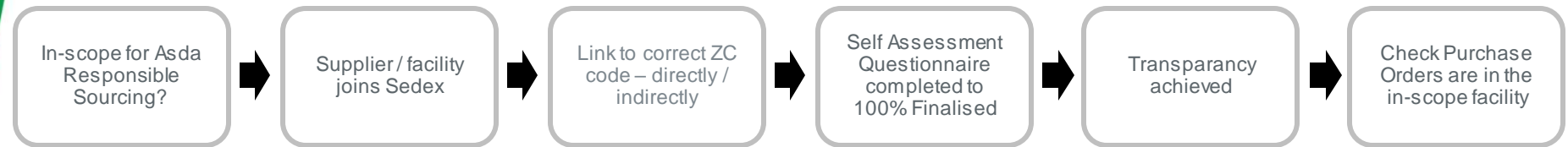
Transparency is the process by which suppliers give Asda visibility to their in-scope supply chain and the associated compliance information

Areas covered by this Transparency Policy – in scope



In order to establish our programme and gain visibility to you and your supply chain we require you to provide transparency to in-scope locations where:

- The Asda brand is present;
 - Products are deemed Exclusive to Asda in production and supply;
 - You are supplying Asda GNFR products or services.
- (see process flow below)



[SEDEX how to guide](#)

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Exclusivity



If the following definitions are met, the relationship is considered Exclusive and therefore requiring transparency and inclusion within our programme:

Established retailers

- Any retailer with revenue from their last years accounts in excess of £2bn.

Exclusive suppliers

- provide supplier branded product(s) to Asda; and
- do not supply any other established UK retailers.

Exclusive facilities

- produce only exclusive product(s) for Asda; and
- do not supply any other established UK retailers.

If you have any queries regarding this, please speak to the Asda Buying Assistant who is creating the line listing form.

In order to achieve transparency please follow the steps below:

- Visit the [SEDEX](#) website and become a member in-line with your operation, supply chain and logistics.
- Direct suppliers:
 - Need to link directly to Asda Department (ZC) code for the product area you supply. The in-scope locations that you utilise for production of in-scope products or services should then indirectly link to the correct Asda Department (ZC) code and also to you directly, as the supplier.
 - You, as our supplier, are responsible for these steps being correctly executed

Asda Department (ZC) codes:

- **Asda Groceries (ZC1069018)** – for food and grocery
- **Asda GNFR (ZC4175399)** – for Goods Not For Resale and services
- **International Procurement Logistics (ZC4175422)** - for any supply to Asda via our wholly owned subsidiary – International Procurement Logistics
- **George (ZC1086103)** - for apparel and accessories
- **General Merchandise (ZC414283949)** – George Home etc.

Once you are a member and linked to Asda, please provide an SAQ at finalised 100% status for your facilities where production / manufacturing is taking place. Please then make all information visible to Asda e.g. audits and SAQs, associated with 'in-scope' facilities.

Your SAQ should be reviewed and updated every 6 months. This will be used to monitor and demonstrate continuous improvement. Failure to do so will result in a breach of our Standards for Suppliers and ultimately the Conditions of Purchase you have with Asda.

Asda reserves the right to request an audit for a facility used for our production at any time.

Transparency Process



Asda will utilise the information provided in line with global, industry and commodity/product trends to further understand how best to address associated risks.

Suppliers are responsible for maintaining their membership with SEDEX and the visibility of their facilities to Asda at all times.

For newly listed suppliers and facilities - once transparency has been achieved you will receive an email from Asda stating that we have visibility to your facility. This does not reflect purchase order checks, but solely that we have the required information via SEDEX.

If you have any questions or need support to complete the steps above, please contact the SEDEX helpdesk at helpdesk@sedexglobal.com or Responsiblesourcingqueries@asda.co.uk.

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Suppliers must provide transparency of all in-scope locations and/or production of in scope merchandise or services.

Suppliers may be issued with the following consequences for not providing transparency including, but not limited to:

- A 'strike' - three 'strikes' in a two-year period will typically result in suspension or termination of a business relationship with Asda. Multiple strikes can be allocated at one time for multiple infringements;
- Reduction of business or suspension;
- Termination of business production for Asda.

We encourage suppliers and facilities to talk to us and raise any concerns directly with Asda.

If a facility or supplier has been previously inactivated then, in order to be re-considered for supply to Asda, the facility or supplier must:

- Demonstrate to the Asda Responsible Sourcing team that remediation has been undertaken on the information that led to the inactivation.

Asda Responsible Sourcing reserves the rights to examine other factors and to evolve its audit approach and requirements over time.

Approved brands – George and General Merchandise



Asda maintains and manages a register of approved brands which are sold within Asda but not covered by this transparency policy. These brands are considered to have enough 'brand equity' in their own right.

An approved brand must be:

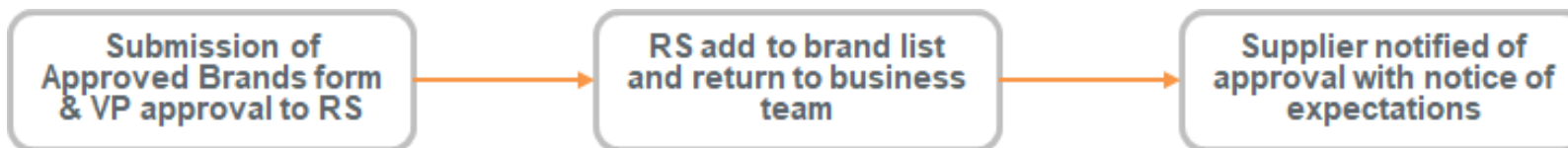
- Widely recognised by consumers and thus the brand owner has equity to protect; and
- Widely distributed in multiple retailers; and
- Have revenue for their last year accounts of more than £500m.

Approved brands include:

- 'Exclusive to Asda' products designs and prints;
- Asda branding where it features alongside the main name of the brand e.g. charity stickers.

Production at a facility that is not disclosed and has not yet been put on the register will be considered unauthorised. A supplier's failure to disclose a facility and/or the production of merchandise in an undisclosed facility is considered to be unauthorised production and can lead to consequences for the supplier, facility or both.

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Programme exceptions



Asda acknowledges that different sourcing regions or countries pose additional risks. Our Exceptions Policy allows us to consider how factors such as government effectiveness, rule of law, control of corruption and government stability affect the risk of noncompliance in certain countries.

In order to address these risks, we have identified where additional due diligence checks are required, further details can be found in the Exceptions Policy document or contact your Responsible Sourcing Manager.

Countries/regions include, but are not limited to:

- Apparel - United Kingdom
- Myanmar (Burma)
- Ethiopia
- Xinjiang Uyghur Autonomous Region (XUAR)

If you believe an exception is required to our programme, the information you submit to us, or there are other extenuating circumstances please contact Responsible Sourcing at responsiblesourcingqueries@asda.co.uk

Exceptions Policy

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All other suppliers please use this [link](#) to the Asda supplier website

Programme exception: George clothing



Additional due diligence checks are required in our George Clothing business, and as a result we have expanded our transparency requirements.

The following sites require Transparency in addition to those covered by our Transparency Policy:

- All second tier facilities such as printing, embroidery, and linking; and
- Nominated trims such as zips and hangers;

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